

# **1996 Annual Report**



## **Indiana**

DEPARTMENT OF COMMERCE



Governor Frank O'Bannon



Lt. Governor Joe Kernan

Governor Frank O'Bannon and I are eager to share with you this 1996 report. One, it clearly shows the vitality of Indiana businesses — total manufacturing employment in Indiana is the highest it's ever been, and our employment growth rate continues to surpass the national pace. Another reason is we have accomplished our goals of providing Hoosiers with secure jobs and higher incomes, while helping our communities become more competitive.

With the help of our partners in local government and the private sector, we were able to land one of the nation's largest economic development projects of the year — the \$1.1 billion AK Steel facility — and support the expansions of such Indiana companies as Allison Engine and Software Artistry. Through our

performance-based, fiscally responsible incentive packages, we assisted in the creation of nearly 12,700 Indiana jobs and helped fund the retraining of more than 56,000 Hoosier workers last year.

We've always said the productivity of our workers is one of Indiana's biggest business advantages, but it will grow even more important as unemployment remains low and expanding companies find it increasingly difficult to find dedicated, qualified workers. Through programs such as Training 2000, we have been able to increase the knowledge of Hoosier workers to ensure they are prepared to meet workplace demands, and so businesses can find employees with the skills they need to compete.

We have been able to work with communities and neighborhoods in every Indiana county to improve their quality of

life and develop their infrastructure so they can better compete in this dynamic world. The backbone of our economy — small business — has benefited from our expanded services designed to help them grow and prosper. On the global front, we expect to set another record in the export of Indiana-made goods overseas. We've helped businesses grow by increasing their energy efficiency and by expanding markets for alternative fuels and the recycling industry. And we have become even more effective in attracting visitors to Indiana. In 1996, more people visited and spent money in Indiana than ever before.

In early 1996, *The Economist* magazine said, "If anyone doubts the new industrial vitality of America, he should look at Indiana." And in November, *Financial World*

ranked Indiana as the second-best state in which to grow a business.

We agree that Indiana is a great place for business growth and development. But the world is changing. If we are to continue our prosperity into the next century, we must examine new ways to develop our economy and the skills of our workers. Through strong partnerships with local government, the private sector and the work force, we can make 1997 another year of more secure, high-paying jobs for Hoosiers, and more competitive communities for Indiana.

Sincerely,

Joseph E. Kernan  
Lieutenant Governor

# BUSINESS HIGHLIGHTS

## 1996

- The Indiana Department of Commerce provided about \$18 million in training and infrastructure funds for economic development projects that affected more than 69,000 jobs — including 12,695 new jobs.
- Commerce funding will support the retraining of 56,800 Indiana workers.
- Existing Indiana businesses received nearly 75 percent of Commerce funding.
- Existing Indiana businesses created nearly 81 percent of all new Commerce-assisted jobs.
- Commerce assisted in the opening of 26 new plant locations and 276 Indiana plant expansions.
- Commerce leveraged more than \$3.5 billion in private investment on 302 projects.
- Every dollar of Commerce assistance leveraged \$197 in private investment.
- Under Commerce's QS9000 initiative, 137 companies received more than \$3.9 million in Training 2000 grants that include training for QS9000 certification.

## 1989-1996

- Commerce provided more than \$202 million in funding for economic development projects that affected 456,544 jobs — including 114,065 new jobs.
- Commerce funding supported the retraining of 342,479 Indiana workers.
- Commerce leveraged almost \$22 billion in private investment on 1,738 projects.
- A dollar of Commerce assistance leveraged \$108 in private investment.
- Existing Indiana businesses invested nearly \$13 billion in expansion projects.
- Existing Indiana businesses received more than 61 percent of Commerce funding.
- Existing Indiana businesses created more than 60 percent of all new Commerce-assisted jobs.
- Commerce assisted in the opening of 279 new facilities in Indiana, creating more than 45,000 jobs.

# ADMINISTRATIVE SERVICES

## Assisting Indiana business

In 1996 alone, more than 12,600 jobs were created in Indiana as a direct result of assistance packages put together by the Administrative Services Division. Working hand-in-hand with Commerce's Business Development Division, Administrative Services committed about \$18 million to help 276 existing Indiana companies expand here, and assist in the openings of 26 new facilities. These firms plan to invest a total of about \$3 billion in Indiana.

"This job growth is the result of partnerships — between government and businesses, between state and local governments, and between Administrative Services and Business Development," said David Perlini, executive director of Commerce. "We want businesses in Indiana to succeed. But we also have an obligation to the taxpayers of Indiana. Administrative Services ensures the financial packages we offer are both fiscally responsible and meet the needs of companies expanding in or locating to Indiana."

Economic develop-

ment funds include grants from the Training 2000 program — which reimburses companies for employee training — and grants to local communities for infrastructure improvements needed to support new or expanding businesses. Of the approximately \$18 million granted last year, almost \$14 million was invested in 276 projects for existing Indiana businesses. These economic development funds supported the retraining of 56,800 Indiana workers.

"Many people think Commerce focuses on luring out-of-state businesses to Indiana," said Perlini. "But the fact is we continue to spend the majority of our economic development funds on Hoosier companies. In 1996, existing Indiana businesses received 75 percent of our financial assistance to increase their competitiveness and enhance the skills of their workers."

Administrative Services also manages Indiana's EDGE program,

which provides tax credits to companies that make a significant capital and jobs investment in Indiana. As with Commerce's Training 2000 program, EDGE is performance-based, meaning the credits are awarded only when Indiana jobs are created. In 1996, more than \$31 million in EDGE tax credits were awarded to nine companies, which expect to create 2,426 new jobs in Indiana.

To help Indiana communities support these new and expanding companies, Administrative Services works with the state's cities, towns and counties on grants to fund infrastructure improvements. In 1996, Commerce provided nearly \$3 million in infrastructure grants to Indiana communities for such improvements.

### Office of Research and Technology Services

The division's Office of Research and Technology Services, created in 1995 to provide a comprehensive approach to converting data into information, tackled several tasks aimed at making Com-

merce more efficient. Its 1996 achievements include:

- Developed a new support system for logging and responding to requests for assistance with technology problems.
- Provided assistance that had a positive impact on job performance, according to more than 90 percent of regular customers surveyed.
- Addressed directors of Commerce departments across the United States on role of research in state development agencies.
- Developed criteria for evaluating requests for Industrial Revenue Bonds. Criteria were adopted by the IDFA board.
- Prepared EDGE board reports that resulted in the approval of five successful Indiana EDGE projects.
- Provided Internet access to all users for e-mail.
- Created seven computer databases.
- Trained computer users through introductory classes and personal computer user group.



# BUSINESS DEVELOPMENT

## Creating jobs for Indiana

For the second year in a row, Indiana has landed the nation's largest economic development project of the year. Last November, AK Steel chose Rockport, Ind., as the site for its \$1.1

billion steel processing mill, translating into at least 410 family-wage jobs for Hoosiers. Rockport Works, as the new plant will be called, is possibly **the** largest economic development project in the

United States in 1996.

November has become an important month for Commerce's Business Development Division. In November 1995, Toyota announced its decision to locate its sought-after truck assembly plant near Princeton in

Gibson County, adding another 1,300 jobs to the Indiana work force. And in November 1994, United Air Lines announced a major expansion at its Indianapolis facility that would create 1,200 high-paying jobs.

"These companies chose Indiana because it's good for their bottom line," said David Perlini, who was Commerce's director of business development in 1996 and now serves as the department's executive director.

"Our low cost of doing business, our central location, the productivity of our work force, combined with aggressive incentive programs and strong public-private partnerships — all of these factors explain why Indiana is so attractive to businesses, both new and existing ones," Perlini added.

While Commerce has been successful in building its traditional economic base of steel, automotive and plastics manufacturing firms, Business Development has also made important strides in its efforts to diversify the state's economy. For example, agribusiness giant ConAgra announced its decision to locate its soybean processing plant in southern Indiana, creating 226 new jobs. Such nationally respected companies as Galyan's, Frank's Nursery, Little Brown and Meijer's opened major distribution centers in Indiana last year. And Software Artistry — a high-tech, high-growth company — announced plans to expand its Indianapolis headquarters and add more than 700 well-paying jobs.

Even though large attraction projects such as AK Steel capture the headlines, it's still Indiana's existing businesses that receive the majority of Commerce's economic development funds. In 1996, 75 percent of the state's economic development funds went to



*AK Steel announced in November that it will locate its new \$1.1 billion steel-processing plant in Rockport, Ind., bringing 410 new jobs.*

Hoosier businesses — businesses owned by people who live here and pay their taxes here.

"First and foremost," said Perlini, "we want to make sure we meet the needs of Indiana businesses. They drive our economy; they create the jobs."

In 1996, existing Indiana businesses that received economic development assistance from Commerce pledged to create more than 2,400 new jobs in the state.

### Leading non-traditional economic development

Indiana's current economic climate is creating a shift in the types of assistance needed by Hoosier firms. A statewide unemployment rate of 3.5 percent has many companies concerned about the availability and quality of Indiana's work force. To ensure a productive work force remains one of the state's biggest business advantages, Business Development has implemented non-traditional economic development programs designed to increase the skills of Indiana citizens and bring more Hoosiers into the work force.

Working in partnership with Indiana's Family and Social Services Agency and the Department of Workforce Development, Business Development has crafted a welfare-to-work program that is the first of its kind in Indiana — one that ties business incentives to moving people off the welfare rolls and onto the payrolls.

"More and more companies are asking for help in finding qualified workers," said Perlini.

"Business Development can play a pivotal role here by matching people who are capable of being productive workers with companies that need qualified workers."

As with the division's traditional economic development efforts,

collaboration with local leaders is critical to make projects happen. Business Development's project managers continually visit local businesses and communities to discuss training and infrastructure assistance, as well as workforce development

issues, education, and industrial networking strategies.

"We can't succeed in our economic development efforts without strong partnerships with local communities," Perlini said. "Their work is critical to make projects happen."

## Indiana remains national leader in steel production

Indiana remained the nation's leading steel producer in 1996.

That message rang loud and clear throughout the past year. In November, Ohio-based AK Steel announced it will locate its new \$1.1 billion steel processing plant in Rockport, Ind. The 410-worker facility is the largest economic development project in Indiana — and probably the nation — in 1996.

In Pittsboro, Ind., Qualitech Steel broke ground on its new \$226 million high-tech mini-mill, which will employ more than 500 Hoosiers in high-paying jobs.

And on "Steel Day" in July, three steel giants — Inland Steel of East Chicago, National Steel of Portage, and Bethlehem Steel of Chesterton — announced they will invest a total of \$300 million in new or expanded facilities and will retrain more



On "Steel Day" in July 1996, Governor Frank O'Bannon celebrated Indiana's lead in national steel production.

than 2,500 employees to meet the demands of new technology.

"Despite what you may have heard from the governor of Ohio," said Governor Frank O'Bannon, "Indiana is well ahead of Ohio and all other states in the production of steel. We have been able to sustain this lead for more than a decade because of our investments in worker skills and state-of-the-art technologies."

Although Indiana's steel industry is concentrated in the Northwest region of the state, its economic impact extends way beyond those borders.

"In addition to workers who are directly employed by Indiana steel companies, tens of thousands of Hoosiers throughout the state benefit from this industry," said O'Bannon. "Indiana steel is a genuine source of excellent, high-paying jobs for Hoosiers." And the future looks bright, too. According to steel analysts, demand for steel is up, and the Indiana steel industry can look forward to tremendous growth in the near future.

### Nation's top five steel producers

1. Indiana	22.8 million tons
2. Ohio	15.9 million tons
3. Pennsylvania	8.9 million tons
4. Michigan	8.0 million tons
5. Illinois	7.3 million tons

# INTERNATIONAL TRADE

## Promoting Indiana exports

Indiana manufacturers are expected to set a new record for exports. Over the first nine months of 1996, exports of Indiana-made goods reached \$8.9 billion — an increase of more than \$360 million over the same period in 1995. If Hoosier firms continue to sell their products overseas at this pace, we will likely break the 1995 export record of \$11.6 billion.

### The link between exports and jobs

The growth of Indiana exports is important to the state's economy because as exports increase, jobs and wages increase. In 1996, the International Trade Division (ITD) and Governor Frank O'Bannon, then

lieutenant governor, commissioned a new study, the first of its kind in the nation, that explores the specific impact of exports on Indiana. The study, prepared by Indiana Center for Global Business at Indiana University, revealed that 88 percent of Indiana's new jobs created between 1992 and 1995 were export related. These jobs also paid higher wages.

"As far as we know, we are the first state in the nation to test the theories and analyze the results," said Governor O'Bannon. "The results are important to the policies we set for the future."

More specific than the number of Hoosier jobs created by exports, the pioneering study revealed which industries in



In July 1996, Governor Frank O'Bannon and Larry Davidson, director of Indiana University Business School's Global Center, announced the results of a pioneering export jobs study.

Indiana create sales and which create jobs, which industries have the highest wage rates, and which have the fastest wage growth.

### Reaching out to Indiana businesses

In partnership with the Indiana Port Commis-

sion, ITD expanded its reach to Indiana businesses in 1996 by adding two international trade consultants who actively promote the benefits of export to Hoosier firms. The consultants work out of Indiana's International Harbor in Portage and Southwind Maritime Center in Evansville.

"We offer a range of services and resources to help Indiana manufacturers increase their exports, but not everything can be done from Indianapolis," said ITD Director Carlos Barbera. "ITD must take a proactive, hands-on approach to export growth. The regional consultants take this stance by bringing international trade services and information directly to Hoosier manufacturers, particularly small and medium-sized



Pictured at the Indiana trade office in Yokohama are (from left): House Speaker and former Minority House Leader John Gregg, former Commerce Executive Director Curt Wiley, Yokohama Mayor Hidenobu Takahide, EAO Director Bill Bishop, Senate President Pro Tempore Robert Garton, and Republican Leader and former House Speaker Paul Mannweiler.



firms, and providing critical one-on-one assistance and follow-up."

The impact of the new regional trade consultants is obvious. In 1996, the division provided one-on-one export consulting to more than 670 Indiana companies — an increase of almost 60 percent over 1995. General assistance to Hoosier firms is also up almost 60 percent. In 1996, ITD provided export-related information to more than 2,800 companies, up from 1,777 in 1995.

### Trade show participation doubles

ITD hosted delegations of Indiana companies to 20 international trade shows in 1996, compared to 14 in 1995. These shows helped 150 Indiana firms establish contacts with overseas buyers and distributors to increase sales.

The Trade Show Assistance Program

(TSAP) also contributed to the international success of dozens of small Indiana firms by making it more affordable to market products overseas. Applications for TSAP funding were up 40 percent in 1996. The program, which reimburses companies up to \$5,000 for

exhibit costs incurred at overseas trade shows, provided \$316,882 to 80 companies in 1996.

In 1996, more Hoosier exporters than ever before used ITD's Trade Finance Program to access insurance and working capital to support their international efforts. TFP insurance transactions in-

creased 9 percent last year, from 303 firms requesting assistance in 1995 to 328 firms in 1996.

### Helping more Hoosiers overseas

Indiana's eight international offices, strategically located throughout the world to provide the greatest growth in Indiana

exports, helped more Hoosier exporters in 1996 than ever before. The number of Indiana businesses that received assistance from these offices increased more than 200 percent last year. Assistance ranged from agent /distributor searches, which increased 19 percent; catalog presentations, which grew 45 percent; and trade leads generated, which rose 67 percent during 1996.

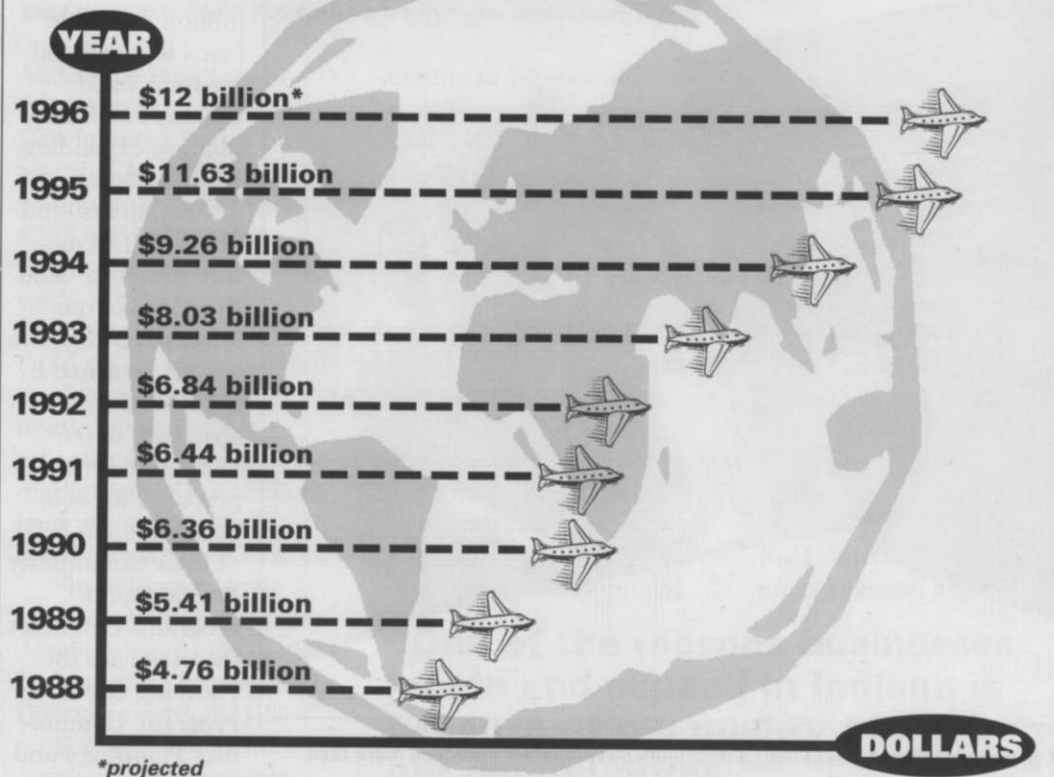
### A growing international network

More than 500 businesspeople attended the second annual "Network" conference, held in Indianapolis last year. That's up from about 300 participants in 1995. The event offered the opportunity for Hoosier businesses to meet experts in the field of international trade and learn the ins and outs of export. Trade officials from eight of Indiana's top trading partners, as well as Indiana businesspeople already exporting to those countries, discussed important cultural nuances and business practices.



Eli Lilly Chairman and CEO Randall Tobias delivered the keynote address to a record crowd at Indiana International: Network '96.

## Indiana Direct Exports





# COMMUNITY DEVELOPMENT

## Building competitive communities

Community Development's success story is driven by the division's Community Focus Fund, which has touched the lives of thousands and thousands of Hoosiers and their neighborhoods. In 1996, Commerce celebrated the program's five-year anniversary. Since its inception, CFF has affected nearly 500 Indiana communities by funding such projects as child-care and senior centers, new libraries, water systems,

and downtown revitalizations.

"One of the reasons businesses locate and expand in Indiana is because of the quality of life in our communities," said Matt Rueff, director of Community Development. "The Community Focus Fund has promoted economic growth in Indiana by ensuring our communities have the physical and social infrastructure in place to support new and expanding businesses."

In 1996, 72 communities received \$29.7 million in CFF grants. These communities leveraged an additional \$30 million of local public and private funds. The economic impact on local communities is expected to exceed \$120 million and more than 200,000 Indiana residents will be served by the completion of these projects.

Through the innovative Hoosier Development Fund, the nation's first statewide loan guarantee

program approved by the federal Department of Housing and Urban Development, Community Development approved more than \$5 million in loans for four business development projects and four public utility projects in 1996. The Fund already has more than \$18 million in business and public infrastructure projects pending further review by its Loan Review Board for 1997.

"The Hoosier Development Fund provides

anywhere from \$250,000 to several million dollars in loans to small and medium-sized Indiana businesses that are expanding, certain real-estate developments, and public infrastructure projects," said Rueff. "Like our other programs, the fund is designed to build local infrastructure so our communities are prepared for economic growth."

Other Community Development programs that meet this need are the Planning Grant Program, Community Planning Fund and Neighborhood



*Through the Hoosier Development Fund, promoted through direct mail, Community Development approved more than \$5 million in loans for business and public infrastructure projects.*

# BUILDING INDIANA COMMUNITIES



## COMMUNITY FOCUS FUND: 1990-1995

*The Community Focus Fund program's five-year anniversary report*

Assistance Program. In 1996, the Community Development Division awarded 16 Indiana communities more than \$583,000 in Planning Grants for project design work. A total of \$550,000 of Community Planning Fund grants were awarded to 47 community economic development organizations to fund market feasibility studies, land use plans and targeted industry surveys.

To help encourage investment in community development projects, the Community Development Division awarded \$1.5 million in Neighborhood Assistance Program tax

credits to 74 community-based organizations. Community Development also awarded a total of \$549,000 in Community Development Action Grants to 18 community economic development organizations to add or expand their community economic development services.

Also in 1996, the Community Development Division recertified and trained more than 200 community development

professionals throughout the state for Certified Project Administrator status.

"Last year we made it one of our top priorities to virtually eliminate the number of poorly administered projects," said Rueff. "Out of 278 projects in our Community Development Block Grant portfolio, only five were judged to be poorly administered. That's a record low."

And last September, the Community Development Division was

awarded the National Collaboration Award at the Annual Conference of the Council of State Community Development Agencies in Boston. This award recognizes the creative solutions and partnerships the division established to solve and further coordinate the delivery of community development services among local, state and federal agencies.

Said Rueff, "In business, any project must be carefully planned to keep costs low and improve the chances of success. The Community Development Division applies those same principles to its grant awards process."

**"One of the reasons businesses locate and expand in Indiana is because of the quality of life in our communities."**

# ENERGY POLICY

## Developing energy efficiency

In a major undertaking to increase the competitiveness of the state's small businesses, Commerce's Energy Policy Division developed the Small Business Energy Initiative (SBEI) in 1996. SBEI grants lower firms' operating costs by funding

measures that improve energy efficiency.

SBEI includes the Industrial Energy Efficiency Program, the Alternative Energy Systems Program and the Urban Enterprise Zone Program. Under these programs, the Energy Policy Division last year awarded

\$3 million to help 84 small Indiana businesses improve their production processes and implement cost-effective alternative energy technologies and fuels. These improvements increase their energy efficiency.

"For many companies, particularly manufactur-

ers, the efficient use of energy can have a very positive impact on their bottom line," said Cheryl DeVol-Glowinski, director of the Energy Policy Division. "Through programs in energy efficiency, recycling and alternative fuels, the Energy Policy Division responds to the growing needs of Hoosier companies while preserving the state's natural resources and promoting a cleaner environment for our communities."

### Environmentally minded

The Energy Policy Division remains committed to the programs that preserve Indiana's environment while enhancing our economic development. For example, its Recycling Market Development Program helps reduce waste in Indiana by increasing manufacturing capacity for recyclable materials and the purchase of products made from recyclable materials.

To help Indiana manufacturers grow more competitive, the Energy Policy Division revised its Recycling Promotion and Assistance Fund (RPAF) in 1996 from a low-interest loan fund to a zero-interest loan fund. Last year, Energy Policy awarded more than \$640,000 in zero-interest loans to two



Energy Policy Director Cheryl DeVol-Glowinski shows State Fair-goers the many examples of products made from recycled materials, including crumb-rubber playground covers made from recycled tires.



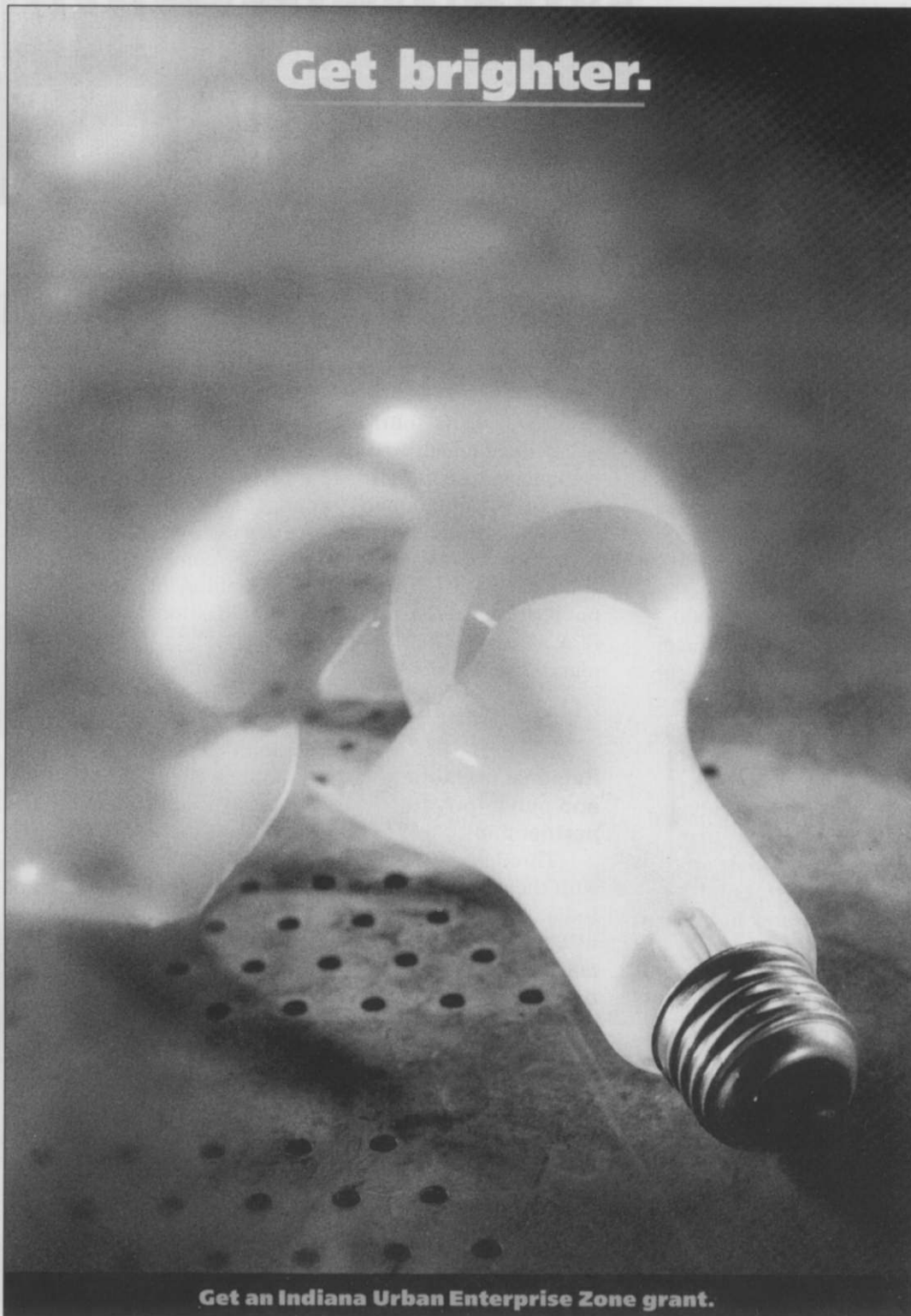
Indiana companies to help them start or expand recycling manufacturing operations. These projects are projected to create 34 jobs and divert more than 5,300 tons of material from landfills annually.

Finding ways to reuse scrap tires is another priority because tire piles can create both environmental and public health concerns. In 1996, the Tire Recycling Market Development program awarded more than \$98,000 in Protective Playground Resurfacing Grants to 18 organizations throughout Indiana. The grants helped schools, local government agencies and non-profit organizations purchase crumb-rubber playground covers made from recycled Indiana tires. More than 79,000 scrap tires will be recycled as a result of these grants.

We have also excelled in the area of alternative fuels. Last year, Energy Policy helped bring the state's first public ethanol fueling site to Indianapolis. The ethanol pump will provide a convenient refueling site for federal and state fleet vehicles and privately owned ethanol-powered vehicles.

The division also purchased two ethanol-fueled vehicles and one compressed natural gas-fueled replacement vehicle in 1996. The state now owns 14 ethanol-fueled vehicles, 10 compressed natural gas-fueled vehicles, nine liquid propane gas-fueled vehicles and one electric minivan. And for the 11th consecutive year, the Fuel Saver Van provided voluntary fuel-efficiency tests. The van visited 31 locations throughout Indiana and tested more than 5,100 vehicles.

## Get brighter.



**Get an Indiana Urban Enterprise Zone grant.**

*Marketing created a direct mail campaign to promote the Small Business Energy Initiative.*

### **Success Stories**

The Indiana Coal Research Grant program awarded its grants for the last time in 1996. Four Indiana businesses each received \$100,000 grants to conduct research projects on the use of Indiana coal and the

development of new clean coal technology.

The Institutional Conservation Program awarded more than \$400,000 to 15 schools and hospitals throughout the state for energy-efficiency projects. These grants will be the last awarded; the program

is ending after 17 years and a successful demonstration that energy efficiency technologies save money, reduce pollution, and provide a more comfortable environment for the students and patients who use these facilities.

# TOURISM & FILM DEVELOPMENT

## Attracting visitors to Indiana

**M**ore people are becoming curious about Indiana, and a lot of them like what they're discovering.

Tourism inquiries were at an all-time high in 1996, with more than 515,000 calls to the toll-free travel information number — up more than 10 percent over 1996. With a conversion rate — the percentage of those callers who took overnight trips to Indiana — of 45.2 percent, that means more people are visiting, enjoying and spending money in Indiana than ever before.

In the past year, visitor spending that is a direct

result of Indiana Tourism's marketing and advertising campaigns rose to more than \$198.1 million, up from \$123.4 in 1995. The main focus of marketing shifts each season: annual publications in the spring, *Play Money* in the summer, a *Fall Color Guide*, and *Cold Cash* coupons in the winter.

### Regional marketing and public/private partnerships

Through partnerships with the private sector, Indiana Tourism enhanced its ability to assist hospitality industry organizations, nearly doubling its

cash commitment to local and regional programs. In 1996, Indiana Tourism:

- assisted 86 organizations with funding benefits
- committed \$180,000 to staffing for tourism organizations.

"While these numbers are impressive," said Tourism Division Director John Goss, "the \$1.7 million that Tourism receives in return, through private-sector funding of marketing programs, actually *doubles* the division's advertising budget."

### Going global

Trade shows, travel agent training, sales missions and marketing contracts in the United Kingdom and Germany — all these factors contributed to a ten-fold increase in international exposure for the Hoosier state. In 1996, Indiana itineraries and products were featured in 18 European tour catalogs, with a circulation of nearly 7 million.

### Welcome centers

Welcome centers serve a captive audience with customer service, and have been effective at lengthening stays and promoting visitor spending. In 1996, Indiana Welcome Centers

have:

- welcomed 1.6 million motorists and 1,900 motorcoaches
- personally assisted 400,000 visitors
- booked more than 1,400 hotel reservations for travel parties
- logged 15,000 requests for more Indiana tourism information.

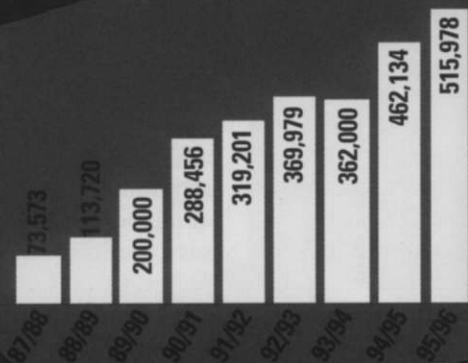
The newly initiated Adopt-A-Rest-Park program, another partnership with the Indiana Department of Transportation, has encouraged communities to draw on visitor benefits. The program allows local tourism organizations to adopt a rest park and adapt it to serve as a visitor center. Two parks, Kankakee and Nancy Hanks, were adopted in 1996, and there are requests for future developments statewide.

### Main Street Program turns 10 in style

For 10 years the Indiana Main Street Program has been rebuilding and preserving the hearts of Hoosier small towns. In 1996, an additional \$95,000 in grants was made available through the Main Street Program.

In mid-summer, Judy O'Bannon, chair of the

### Tourism Lead Summary



Indiana Main Street Council, toured 16 leading communities to celebrate the program's anniversary.

"Main Street has been effective in communities such as Bloomington, Greencastle, Warsaw and, more recently, Evansville and Goshen," said Judy O'Bannon. "These efforts not only preserve the core of the community, they capitalize on a downtown's potential."

### Real results

These coordinated efforts helped keep Indiana tourism on the rise. While many results have been detailed above, there have been several other important accomplishments:

- provided funding for 15 Historic Downtown projects
- presented 16 Development Workshops for technical assistance
- presented six Main Street Workshops
- made 240 Group Tour Operator appointments
- held four Familiarization Trips for travel writers
- distributed 2,000 Group Tour Planners to the trade
- distributed 1.4 million guidebooks and maps to leisure travelers.

### Tourism Development ignites growth

Tourism Development has been actively organizing the groundwork for the future. The division conducted seven workshops and conferences on festival and event planning, bed & breakfast development, rural tourism development and organizational development.

# Indiana Film Commission

## Indiana Film Commission takes focus...

In 1996, the Indiana Film Commission provided location scouting and logistical assistance for a total of 37 feature film projects and five television shows, in addition to dozens of TV commercials. In all, since 1992, the Film office has provided location assistance for more than 90 feature films, 41 television shows, and scores of commercials.

The Film Commission carried its message of desirable locations, reasonable production costs, and hands-on production support to producers in Los Angeles at Locations '96 in March and in Chicago at SCREEN Production Expo in May.

The workshops attracted representatives from all Indiana counties and many other states.

The Tourism Information and Promotion Fund, the division's matching grant program, awarded 26 organizations, representing 67 counties, a total of \$292, 219 for promotion and marketing. The Hoosier Heritage Development program provided technical assistance to 11 counties for the following projects:

- a growth enhancement plan and promotions for Centerville



*The independent feature "Going All the Way" was filmed entirely on location in Indianapolis (such as the Omni Severin Hotel downtown, above) and other towns in Central Indiana.*

### ...and Goes All the Way

The year kicked off with four days of filming in Lake County for the movie "Chain Reaction." In October, the major motion picture "The Flood" was filmed in Huntingburg, where the city's main street was converted into a virtual Hollywood backlot. "The Flood" was the third

feature-length film to be shot in Huntingburg since 1991. And during late summer, the independent feature "Going All the Way," filmed entirely on location in Indianapolis and other towns in Central Indiana, had an estimated economic impact of more than \$1 million.

- development and maintenance of a fund-raising campaign that netted \$50,000 in additional funds for the Quilters Hall of Fame Museum

- continued development of Banks of the Wabash Inc., including logo production and a CD ROM project highlighting the Wabash River heritage

- a series of 10 workshops to develop a land trust in Elkhart County
- a marketing plan for the Old Bag Factory, a collection of retail shops

and Indiana artisans in Goshen.

The Tourism Development Division was also active in providing technical assistance to the 13 counties in Southern Indiana to develop a Corridor Management Plan and applying for national designation for the Ohio River Scenic Route. The Route received such designation in the fall of 1996, making it one of 14 National Scenic Byways designated by the U.S. Department of Transportation.



# Marketing Indiana

Helping Indiana businesses grow and attracting new firms to the state depend not only on aggressive efforts by project managers, but also on strong marketing programs.

Business Development's Cooperative Advertising Program, which enhances our marketing efforts through partnerships with the business community and local/regional economic development groups, continues to be an effective marketing tool. Ads that appeared in the *Wall Street Journal* and trade



**Football Hall of Famer Joe Theismann** was the keynote speaker at the Northern Indiana Close Up in Fort Wayne, Ind.

publications in Indiana and throughout the country generated more than 500 leads during 1996. And through the Cooperative Trade Show Program, in which Indiana participated in three national and international trade events last year, Commerce generated an additional 43 leads.

Indiana's successful bid to attract the massive Toyota truck assembly plant in 1995 triggered the development of Commerce's Japan Direct Mail Campaign in 1996. Through private-sector sponsorships, Business Development — working with Indiana's trade office in Japan — produced an investment guide detailing, in Japanese, the benefits of Indiana's business climate. The guide was mailed to thousands of Japanese-owned firms throughout Indiana, the U.S. and Japan.

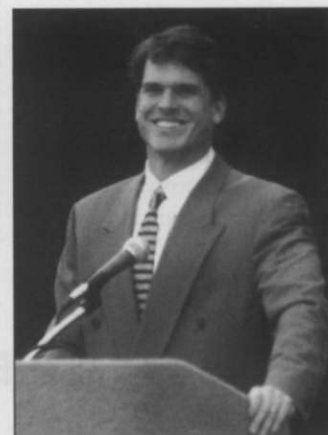
To stimulate the expansions of Indiana's existing businesses, Business Development continued its direct mail campaigns to let them know how Commerce can help. In 1996, the division

revamped its marketing materials and developed new direct-mail pieces that outline Commerce's international trade, energy, and community development services.

"As with our economic development funding, Indiana businesses are first on our minds," Perlini said. "Most of the state's business growth comes from the expansion of firms already in Indiana, so it's important that we communicate with them on a regular basis."

Commerce's regional Close Up conferences maintained their focus on growing Indiana companies, with an emphasis on small business. The 1996 events set a new attendance record — more than 1,000 representatives from business and economic development organizations attended the meetings in Bloomington and Fort Wayne, compared to 800 attendees at three conferences in 1995.

"Every year we have to develop a new Close Up program to expand our message and reach out to new businesses. We've



**Indianapolis Colts Quarterback Jim Harbaugh** was the keynote speaker at the Southern Indiana Close Up in Bloomington, Ind.

obviously filled a genuine need by reaching out to the small-business community," Perlini said. "Since we changed the focus of Close Up to target businesses with less than 100 employees, attendance has been shattered at each event. Starting and growing a business isn't easy, and we're trying to be as responsive to their needs as we can.

"Times are changing," said Governor Frank O'Bannon, who led the Department of Commerce during his eight years as lieutenant governor. "Eight years ago we focused on developing growing sectors of the Indiana economy, such as plastics and food processing. Those efforts paid off. Later, we focused on building local and regional economic development capacity. Those efforts also paid off."

Now, we have to investigate new markets and non-traditional forms of economic development in order to meet the challenge of a transitional economy — one that requires greater technology, more highly skilled workers, and an increasingly global focus."

## Top economic development projects of 1996

Company	Location	New Jobs	Investment	Annual Payroll
AK Steel	Rockport	410	\$1.1 Billion	\$20.5 MM
Allison Engine Co.	Indianapolis	850	\$13 MM	\$33 MM
Software Artistry	Indianapolis	735	\$27.5 MM	\$36.8 MM
Qualitech	Pittsboro	360	\$200 MM	\$20.8 MM
Conagra	Mount Vernon	226	\$140 MM	\$7.8 MM
Sun Coal & Coke/ Primary Energy	Burns Harbor	108	\$350 MM	\$3.7 MM
Feralloy	Burns Harbor	71	\$20 MM	\$2.2MM
Jeffboat	Jeffersonville	400	\$5 MM	\$3.8 MM

# HOW OTHERS SEE INDIANA

***Financial World* magazine, in its Nov. 18, 1996, issue, ranks Indiana as the second-best state in which to grow a business. The study ranks states "in terms of their appeal to businesses seeking a home."**

**"Indiana's economy is churning out the jobs at twice the national average."**

**— CNN's Moneyline  
February 1996**

**"If anyone doubts the new industrial vitality of America, he should look at Indiana."**

**— *The Economist*  
January 1996**

**In its 1996 economic report for the 50 states, the Corporation for Enterprise Development (CFED) defined economic performance as "the bottom line on how an economy is doing, and an indicator of whether a state offers a good place for business to grow." CFED ranked Indiana third in the nation in economic performance.**

# DIVISION CONTACTS

## Indiana Department of Commerce Division Directors

**David Perlini**  
Executive Director  
232-8800

**Lisa Acobert**  
Deputy Executive Director  
232-8800

**Jenny Pitts Manier**  
Development Finance Division Director  
232-8782

**Pat Vercauteran**  
Business Development Division Director  
232-8888

**Matt Rueff**  
Community Development Division Director  
232-8911

**Cheryl DeVol-Glowinski**  
Energy Policy Division Director  
232-8940

**Carlos Barbera**  
International Trade Division Director  
233-3762

**Deborah Coons**  
Marketing and Communications Division Director  
232-4950

**John Goss**  
Tourism and Film Development Division Director  
232-8860



**Indiana Department of Commerce  
One North Capitol, Suite 700  
Indianapolis, Indiana 46204**